

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES #1749



P.O. BOX 1165 ♦ DEL RIO, TEXAS 78841-1165 ♦ (830) 298-5458 ♦ (830) 298-5385
(830) 298-3981 ♦ Fax (830) 298-3600 ♦ E-mail: afge@drtx.com
AFL-CIO AFFILIATED

Executive Summary of Statement by Mario Villarreal,
Executive Vice President,
AFGE LOCAL 1749

I appear before this panel to address the policy of the OMB Circular A-76 concerning the calculation of in-house overhead that unjustly penalized our government MEO bid for the Jet Engine Regionalization at Laughlin AFB, Texas. Our in-house government bid was lower prior to an administrative cost of twelve-percent (12%) levied by the circular on the government bid. Our contention is that the 12% are both arbitrary and artificial and that it inflates the government bid. The application of a 12% factor against in-house personnel cost places the in-house bid at a disadvantage and fails to account accurately for overhead cost. Previous A-76 overhead cost to the government bid were based on concrete numbers. My work position and those of my colleagues as Jet Engine repairers were drastically affected by the 12% levied by the circular on the government bid. We were not afforded the opportunity to compete on a level playing field and cost derived from the calculation of in-house overhead; we are now reduced to working flight line maintenance. We cannot help but arrive at a conclusion that the intent of the circular as written is to relegate a workforce of faithful civil servants to working for a contractor at reduced wages with little or no benefits. The environment will not be conducive to best service for essential repair function of a weapon system used to train pilots for the defense of our nation at home and abroad.

TO DO FOR ALL WHICH NONE CAN DO FOR ONESELF